

CJC Exchange is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

In this issue:

Gibson Sale & Purchase Market Report

Dry Cargo – It's Come Home | Tankers – Hopes on the Ropes | Newbuilding – Opportunity Knocks | Recycling – Steel Going Strong | Sale & Purchase Market Report |

CJC Market News

MSC's secondhand splurge over the past 10 months hits record 60 ships | Singapore supports global programme to vaccinate international sea crew | Call for probe into impact of Gulf of Mexico fire as lightning blamed | Chinese yards newbuilding orders up 183% in first five months

Gibson Sale & Purchase Market Report



With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services.
+44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk

DRY CARGO – It's Come Home

Certainly, dry cargo owners will feel vindicated in the fact that the dry cargo market has finally come home, whereas the jury is still out for English football. With quite a few period fixtures being concluded across all sizes this optimism looks set to continue for the foreseeable future. With each dry cargo sale surpassing last done one wonders where it will end - a good illustration of the movements over the last few months is that of the reported sale of supramax "**LARA**" (56,577 dwt/blt 2008 IHI, Japan) at US\$15.1m. The same owners sold the sister "**YVONNE**" (56,557 dwt/blt 2008 IHI, Japan) back in March at US\$12.5m showing an 18 pct appreciation over the period. Interestingly to note, this price increase is mirrored by the sale of the "**CEILO DI CAPALBRIO**" (36,638 dwt/blt 2012 Hyundai Mipo, S.Korea) at US\$16m over its year older sister "**CIELO DI SAN FRANCISCO**" in February 2021.

It is evident that some listed companies are still swinging their financial clout around with Costamare continuing their bulk buying spree with the purchase of three Japanese controlled supramaxes all with the prefix "BULK" and Genco Shipping picking up three ultramaxs from Navigare.

TANKERS – Hopes on the Ropes

Recent weeks have been filled with a sense of blue sky on the horizon for tankers with the belief in better days ahead and the sector hoping to emulate the fervour of the dry market, with values emboldening in anticipation. However, that vista has clouded over again this week with the OPEC and associate countries' infighting postponing any coordinated moves to increase crude production.

Various scenarios could still unfold, but with ambiguity pervading the current atmosphere it is perhaps unsurprising to see a pull back on the number of transactions reported this week.

Product carriers dominate the few sales to note, with Jiangsu Yangzijiang Shipbuilding's shipping arm revealed to have sold off two resales to Greek interests for US\$32.8m apiece and already renamed ahead of delivery. On the second-hand side, there have been reports of the eleven-year-old pump-room type "**NEW BREEZE**" (48,064 dwt/blt 2010 Iwagi) securing US\$15.5m, from Greek buyers, with BWTS fitted at her October 2020 Special Survey, but noted as uncoiled, now rumoured to have failed to materialise. Following recent divestments in the LPG sector, BW is also now reported to have sold their fifteen year old LR1 "**BW AMAZON**" (74,999 dwt/blt 2006 Dalian No.2) basis 1 year TC back, although price and buying direction remain undisclosed.

NEWBUILDING – Opportunity Knocks

The summer holiday period is in full swing so there is mixed activity at the yards. We are seeing an increase in bulker enquiry as owners take stock of the strong performance of the market to date and do not want to pay strong prices for second-hand. The bulker orderbook remains very low and if the current market remains buoyant it is likely, in our view, that bulker newbuilding enquiry will continue to increase.

As a general comment we note many owners "wait and see" strategy not just on design choice but current pricing. We see already a spread of pricing at yards depending on how they view the current steel plate pricing situation moving forward. Iron ore price is down so this should feed through some relief on steel plate pricing from some mills.

However, we do not expect dramatic reductions in pricing of bulkers and tankers as the respective second-hand pricing in both the segments remains high, and historically newbuildings represent an alternative investment choice, perhaps more so today with the environmental regulations evolving constantly. We see this already on bulkers as we mention and on tankers forward optimism remains robust, so we believe tanker newbuilding enquiry will increase sooner rather than later, contrary to the standalone measure of the fairness of current newbuilding pricing versus current market / rates. Reputable shipyards are also comfortably full to the two year mark so there is no need to aggressively chase potential business by lowering pricing significantly.

RECYCLING – Steel Going Strong

The demand/supply scenario continues to keep prices firm throughout the Sub-Cont where all three markets are hungry to secure any kind of tonnage where possible, but the magical US\$600 per LWT barrier has not (yet) been surpassed. Bangladesh and Pakistan continue to vie it out for top spot but geographically located tonnage will sometimes be the deciding factor. Although now that we're heading into the summer months where activity is usually fairly muted, the question is will things begin to slow down even more than what normally takes place around this time, or will some Owners try and take advantage of these very firm price levels on offer which let's not forget are approaching the historically all-time high price levels ever paid. But with freight rates in most sectors making owners good money it may not be quite so straight forward.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
LEADERSHIP	171,199	2001	Koyo (JPN)	Far Eastern buyer	12	SS due 10/21. Dely 3q21.

DOUBLE PROVIDENCE	95,720	2012	Imabari (JPN)	Greek buyer	21.25	SS due 1/22. BWTS on order.
LDN FORTUNA	93,251	2011	Jiangsu Newyangzi (CHN)	Smart Gains	xs 16	SS due 11/21. Prompt Feast dely.
SEA EXPRESS	79,252	2012	COSCO Dalian (CHN)	Greek buyer	high 18	SS due 7/22.
IMPERIAL ROSE	76,619	2008	Shin Kasado (JPN)	Greek buyer	18.1	No BWTS.
QC MATILDE	76,015	2002	Tsuneishi (JPN)	Undisclosed buyer	high 10	SS psd 3/20. No BWTS. Dely 4q21.
NAVIGARE BEATUS + NAVIGARE BELLUS	63,310	both 2017	Chengxi (CHN)	Genco Shipping & Trading	25 each	SS due 1/22. BWTS fitted.
NAVIGARE BONITAS	63,166	2014	Zhejiang Fenghua (CHN)	Genco Shipping & Trading	high 21	SS psd 8/19. BWTS fitted.
KMARIN ULSAN	63,151	2014	Jiangsu Hantong (CHN)	Costamare / Chinese buyer	21	SS psd 8/19. BWTS fitted. Tier II. Basis WW dely 1/22.
BULK COSTA RICA	58,758	2012	NACKS (CHN)	Greek buyer	18.6	SS due 6/22. BWTS fitted.
BULK PATAGONIA BULK CURACAO + BULK ECUADOR	58,723 57,937	2012 both 2011	Kawasaki (JPN) Tsuneishi Cebu (PHIL)	Costamare	60 en bloc	
VIET THUAN 56- 01	57,334	2009	STX Jinhae (KRS)	Undisclosed buyer	14.2	DD due 9/22.
LARA	56,557	2008	I H I (JPN)	Undisclosed buyer	15.1	BWTS fitted. Prompt dely.
CENTENARIO FORZA	56,129	2012	Mitsui (JPN)	Undisclosed buyer	18.5	SS due 4/22.
YM TRADITION	55,457	2010	Kawasaki (JPN)	Undisclosed buyer	16.3	SS psd 11/19. Dely 7-10/21.
SOPHIA K	53,496	2008	Nam Trieu (VNM)	Greek buyer	11.5	Inc TC to 12/21.
CIELO DI CAPALBIO	36,638	2012	Hyundai Mipo (KRS)	Costamare / Serenity Ship Management	16	SS due 3/22. Tier II. Open hatch.
MING YUAN	33,003	2010	Taizhou Haibin (CHN)	Undisclosed buyer	11	SS psd 8/20.
TANKERS						
YZJ2015-2201 + YZJ2015-2202	50,000	both 2021	Jiangsu Newyangzi (CHN)	Greek buyer	32.8 each	
GENERAL CARGO / MULTI PURPOSE						
VENUS SEVEN	4,999	2001	Keyoga (JPN)	Undisclosed buyer	1.8	Geared.
CONTAINERS / RO-RO / REEFER / PCC						
SPHENE	44,234	2007	Hanjin HI (KRS)	Undisclosed buyer	39	3390 TEU. Gearless.
HARMONY N	39,420	2006	Hyundai Mipo (KRS)	Undisclosed buyer	29.1	2824 TEU. Gearless. SS due 8/21.
SEOUL TRADER	34,528	2009	STX Jinhae (KRS)	MSC	low-mid 19	2664 TEU. Geared.
NORDATLANTIC	33,853	2003	Aker Mtw (GER)	MSC	21	2478 TEU. Geared.
MCC KYOTO	22,314	2008	C S B C Kaohsiung (TWN)	CMA CGM	21.5	1083 TEU. Geared.

PHILIPPOS MICHALIS	21,718	2015	Guangzhou Wenchong (CHN)	CMA CGM	25	1700 TEU. Geared. SS psd 10/20. BWTS fitted.
SINAR BIMA	13,739	2008	Taizhou Kouan (CHN)	Undisclosed buyer	12.5	1118 TEU. Geared.
GAS						
CAPTAIN MARKOS NL	58,691	2006	Hyundai Ulsan (KRS)	Seven Islands	43	80,633 cbm. SS due 11/21.
CLIPPER SUN	58,677	2008	Hyundai Ulsan (KRS)	Arcadia Shipping	xs 49	80,623 cbm. BWTS + Scrubber fitted. Prompt dely.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Aston	Kamsarmax	82,000 dwt x 2	Chengxi (CHN)	2022-2023	31.5	EEDI II. Tier III.
TANKERS						
Euronav	Suezmax	158,000 dwt x 3	Hyundai HI (KRS)	2023-2024	66.4	LNG/Ammonia ready.
CONTAINERS/RO-RO/REEFER/PCC						
TS Lines	Containership	7,000 TEU x 4	SWS (CHN)	2024		LOI in May. 272.5m LOA.
Ningbo Ocean	Containership	3,300 TEU x 3	Yangzijiang (CHN)	2023-2024		
Capital Maritime & Trading	Containership	1,800 TEU x 3+3	Hyundai Mipo (KRS)	2023	31.1	
Ningbo Ocean	Containership	1,400 TEU x 3	Penglai Jinglu (CHN)	2023-2024		
AP Moller Maersk	Containership	2,200 TEU x 1	Hyundai Mipo (KRS)	2023		Methanol dual fuel.
GAS						
Celsius Shipping	LNG	180,000 cbm x 3	Samsung HI (KRS)	2023	193	ME-GA engine.
CSSC Leasing	LNG	174,000 cbm +1	Hudong Zhonghua (CHN)	2024		Declared option. ACR7 ice class.
H-Line	LNG	174,000 cbm x 1	Hyundai Samho (KRS)	2023	190*	XDF propulsion.
Knutsen	LNG	174,000 cbm x 1	Hyundai Samho (KRS)	2023		Against long TC to Engie. Mk III Flex.
SK Shipping	LPG	91,000 cbm x 2	Hyundai HI (KRS)	2023	88	Against 5+ yrs T/C to Petrogas Energy.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLCC						
MAYA VN	2003 / Korea	318,778	44,131	as-is Batam, Indonesia		last weeks sale
AFRAMAX						
KUTCH BAY	1997 / Japan	107,176	16,701	as-is Sri Lanka	557	last weeks sale

TANKERS						
MOON SPRING	1996 / Singapore	7,657	2,354	Bangladesh	568	last weeks sale
ASTON I	2001 / Korea	36,032	8,273	Pakistan	570	last weeks sale
CHAMPION ONE	1993 / Japan	36,362	6,950	as-is Belawan	485	last weeks sale
SIMBA	1996 / Brazil	44,677	10,845	Pakistan	560	
LNG						
MEDITERRANEAN ENERGY	1984 / Japan	67,552	32,001	Bangladesh	650	last weeks sale
CAPE SIZE						
K. PHOENIX	1996 / Korea	148,682	17,000	as-is Korea	543	
PANAMAX BULK						
KARUNIA	1993 / Japan	69,235	9,700	Bangladesh	585	

Recycling Prices (US\$/LWT)

	Pakistan	Bangladesh	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	575/595	580/595	550/560	290/300
Dry Cargo/Bulk/Tween/Gen Cargo	565/575	565/580	540/550	280/290

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	98.5	71	50
SUEZMAX	66	49	33.5
AFRAMAX	53	41	26.5
MR	37	28	19
Bulkers			
CAPE SIZE	59^	37.5	31
KAMSARMAX / PANAMAX	33^	29.5k	21k / 19p
ULTRAMAX / SUPRAMAX	31^	25.5u	18
HANDYSIZE	26.5^	21	15

^=Chinese price (otherwise based upon Japanese / Korean country of build)

Indices

	C.O.B Friday
BDI	3300
\$/Yen	110.02
VLCC	
AG/East	31
TD3 (WS)	

This report has been produced for general information and is not a replacement for specific advice. While the market information is believed to be reasonably accurate, it is by its nature subject to limited audits and validations. No responsibility can be accepted for any errors or any consequences arising therefrom. No part of the report may be reproduced or circulated without our prior written approval. © E.A. Gibson Shipbrokers Ltd 2021.

CJC Market News



Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore and Miami.

MSC's secondhand splurge over the past 10 months hits record 60 ships

As its fleet capacity edges above 4m teu, MSC is on the cusp of overtaking 2M partner Maersk to become the largest carrier.

MSC is continuing its strategy of hoovering-up container tonnage on the second-hand market, acquiring more ships last month, some to remain on charter to other carriers. Despite having the largest orderbook of any carrier, of some 800,000 teu, with deliveries stemmed from 2022 onwards, MSC is still on the hunt. The new additions to MSC's fast-expanding fleet take the number of containerships purchased since last August to more than 70 for a capacity of around 300,000 teu.

Following its aggressive buying spree of secondhand tonnage, the Swiss carrier now controls a fleet of 604 ships for a capacity of 4,015,674 teu, narrowing the gap on Maersk to just 106,000 teu. With 40 vessels, representing 724,000 teu, under construction, MSC has the largest orderbook of all the container lines.

Recently, the Soren Toft-led company has paid Eastern Pacific Shipping \$42.5m for the 5,018 teu Kowloon Bay boxship, according to multiple broker reports. This sale comes alongside other recent purchases including the 4,250 teu Alabama, the 3,534 teu Songa Haydn, the 2,564 teu City of Hong Kong and the 2,492 teu Oregon Trader, taking the number of ships MSC has bought since August last year to 60.

Singapore supports global programme to vaccinate international sea crew

Singapore has stated that, as a global hub port and international maritime centre, it will back the International Maritime Organization's call for seaports around the world to assist in the vaccination of international sea crew.

Speaking at the International Chamber of Shipping (ICS) Leadership Insights Series "Global Trade in 2021" Webinar, Senior Minister of State for Transport Mr. Chee Hong Tat stated that the local maritime industry will work with various stakeholders to vaccinate international sea crew. He furthered that this support to international efforts is important for several reasons. Firstly, that it would add an extra layer of protection for sea crew against Covid-19, secondly that it would reduce the risk of exposure for port workers and shore-based personnel when boarding vessels in Singapore and lastly, that it would allow ports to remain open to accept vessels so that they can continue on their way, thereby supporting the global supply chain.

Having said the above, the minister emphasised the importance of balancing public health risks and providing vaccinations. In this regards, three considerations have been adopted to guide Singapore's

work in this area. Foremost, he stated that it was crucial that the IMO or the shipping industry secure the allocation of vaccine supplies for international sea crew as the vaccines must originate from a separate pool beyond the country's national stockpile. Secondly, the minister stated that the vaccination programme could be carried out as part of Singapore's crew change sign-on protocol when the vessel calls in port. This will allow the vaccination procedure to ride on what he called, Singapore's tried-and-tested crew change process, ensuring the roll out remains, "safe and tight". Thirdly, the minister stated that as the vaccine types being rolled out for international sea crew can be different to what a particular country has approved under their national programme, it is important for the industry to, "take the lead in working out the indemnity arranges for each vaccine type, based on commercial arrangements."

The minister ended this speech on this particular area by stating that the local shipping association, port operator and maritime unions are in the midst of working out the relevant protocols and concept of operations together with the local maritime authority, the MPA, based on the abovementioned approach. He furthered that this same tripartite partnership was what enabled Singapore's crew change protocol and was confident that a safe and effective vaccination protocol for international sea crew can be drawn up. Ending this section, he stated, "this is the right thing to do, and we want to make sure we do it right."

The minister's full speech, which also covers digitalization, decarbonization, the global supply chain crunch and other current topics can be read [here](#).

Call for probe into impact of Gulf of Mexico fire as lightning blamed

Environmental activists in Mexico are demanding an investigation into damage to the Gulf of Mexico after last Friday's underwater fireball. Mexico's state-owned oil company, Petroleos Mexicanos, said on Monday a bizarre chain of events, including a lightning storm and a simultaneous gas pipeline leak, set off the strange subaquatic fire.

The company said an intense storm of rain and lightning last Friday forced the company to shut off pumping stations near the rig whilst simultaneously, the leak in an underwater pipeline allowed natural gas to build up on the ocean floor and once it rose to the surface it was probably ignited by a lightning bolt.

The accident unleashed a subaquatic fireball that appeared to boil the waters of the Gulf of Mexico, and drew a hail of criticism from environmentalists. Greenpeace is calling for the Agency for Safety, Energy and Environment (ASEA) to investigate the damage to marine life and the ecosystem in the area.

Climate activist Greta Thunberg reposted a video clip of the fire on her Twitter account, criticising politicians who allow oil drilling. "Meanwhile the people in power call themselves 'climate leaders' as they open up new oilfields, pipelines and coal power plants — granting new oil licenses exploring future oil drilling sites," Ms Thunberg wrote. "This is the world they are leaving for us."

Mexican President Andrés Manuel López Obrador has been supportive of drilling more wells and buying or building oil refineries during his administration. He has touted oil as "the best business in the world".

Chinese yards newbuilding orders up 183% in first five months

A near doubling of newbuilding orders for Chinese shipbuilders in the first five months underscores the sharp upturn in fortunes seen for the sector this year.

China's newbuilding order volume was 32.74m dwt for the first five months of this year, an increase of 182.6% year-on-year, according to the statistics released by China Association of the National Shipbuilding Industry (CANSI). China's shipbuilding output for the first five months was 16.86m dwt, an increase of 26.6%. As at the end of May, the orderbook on hand was 85m dwt, an increase of 6.4%. Shipbuilding export volume was 16m dwt, an increase of 30.4% year-on-year, newly received export shipbuilding orders were 29.3m dwt, surged 174.9%. Export orders on hand were 75.82m dwt as the end of May, up 2.7%. Shipbuilding export volume, new orders for export and export orders on hand accounted for 95.2%, 89.5% and 89.2% of national volume, respectively.

As at end of May, China's shipbuilding output, newly received orders and orders on hand accounted for 43.9%, 53.9% and 46.8%, respectively of the global shipbuilding market share.

Fifteen major Chinese ship repair yards completed a repair volume of 1,313 vessels for the first five months, an increase of 6.8% year on year. This is despite yards in Zhoushan having to turn away jobs over Covid restrictions.

For more information, please contact:

James Clayton
Tel: +44 (0) 207 855 9669
Email: jamesc@CJCLaw.com
www.cjclaw.com



Gibson Shipbrokers
Tel: +44(0) 20 7667 1000
Email: sap@eagibson.co.uk
www.gibsons.co.uk

